GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:455
ANSWERED ON:01.03.2007
FDI IN EXPANSION OF AIRLINES
Shiwankar Shri Maha Deo Rao

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government is contemplating to raise the Forign Direct Investment (FDI) limit in Civil Aviaiton so as to expand airlines network in different sectors of the country;

(b) if so, the details thereof;

(c) whether the limit of domestic airlines is being fixed for share in foreign fund;

(d) if so, the details thereof;

(e) whether 100 per cent participation is being given to the private sector for the development of airports in the country;and

(f) if so, the details and the reasons therefor?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a) and (b):- The matter is under consideration of the Government.

(c) and (d):- •The Central Government has increased the Foreign Direct Investment limits in "Air Transport Services (Domestic Airlines)" and the revised limits are as under:-
#49% through automatic route
#100% by Non-Resident Indians (NRIs) through automatic route.
#(No direct or indirect equity participation by foreign airlines is allowed).

(e) and (f):- As per the present policy on FDI in the airport sector 100% FDI is permissible in the Greenfield airport through automatic route where a s 74% FDI i s permitted i n existing airports with automatic approval and 100% through FIPB route. The FDI in restructuring of Delhi and Mumbai airports has been capped at 49%.